

BOB F. ANDERSON, PE, INC.
PETROLEUM ENGINEERS & CONSULTANTS
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August 28, 2003

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Paluxy Zone, Reservoir C, Unit & Alternate Unit Well
Proposed Downhole Combination, PXY RC & Annona Chalk, RR
Caddo Pine Island Field
Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SEAGULL OPERATING CO., INC.**, (Applicant), of their intent to file an application to the Commissioner Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Paluxy Zone, Reservoir C, and the Annona Chalk, Reservoir R, Caddo Pine Island Field, Caddo Parish, Louisiana:

1. To create one (1) 80 +/- acre drilling and production unit for the exploration of and the production of gas and condensate for the Paluxy Zone, Reservoir C, Caddo Pine Island Field, Caddo Parish, Louisiana, such unit being designated PXY RC SUA, shown on the attached plat and being made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
3. To designate Seagull Operating Co., Inc., as the unit operator for the proposed PXY RC SUA and their Muslow KD No. 25 Well.
4. To designate the Seagull Operating Co., Inc. - Muslow KD No. 24 Well as an alternate unit well for the PXY RA SUA.
5. To provide that future wells drilled to the Paluxy Zone, Reservoir C, be located at least 330 feet from unit lines and 900 feet between wells.

6. To permit the downhole combination of the production from the Paluxy Zone, Reservoir C, and the production from the Annona Chalk, Reservoir R, in the well bore of the Seagull Operating Co., Inc. – Muslow KD No. 25 Well and in any other well bore located within the proposed PXY RC SUA, providing sufficient data is presented to and is accepted by the Commissioner of Conservation.
7. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Paluxy Zone, Reservoir C, in the Caddo Pine Island Field, Caddo Parish, Louisiana, is defined as that gas and condensate producing interval from 2,095 feet to 2,310 feet (electric log measurements) in the Seagull Operating Co., Inc. – Muslow KD No. 25 Well, located in Section 31, Township 21 North, Range 15 West, Caddo Parish, Louisiana.

The Annona Chalk, Reservoir R, was defined in Office of Conservation Order No. 122-H-j, effective May 19, 1992.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A pre-conference notice was sent to all parties stating a time and date for a conference to discuss the proposed application, however no request for a conference was received therefore no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. Upon receipt of the legal notice, it will be posted and published in a newspaper with a circulation in the area of the Caddo Pine Island Field.

Hon. James H. Welsh
Caddo Pine Island Field
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Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable Hearing fee.

Yours truly,

A handwritten signature in black ink, appearing to read 'B. F. Anderson', with a long horizontal line extending to the right.

B. F. Anderson, PE for
SEAGULL OPERATING CO., INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties

R15W

GARY &
HILBURN LS.

THREE
SISTERS

MUSLOW LS.

HICKS LS.

GARY &
HILBURN LS.

SEAGULL-MUSLOW "KE" LS.

THREE
SISTERS

MUSLOW LS.

CULLINAN LS.

FITZGERALD

31

SEAGULL-MUSLOW "KD" LS.

CAPI AC RR SU
PXY RC SUA

SULLIVAN
WELL SER.

NB STOER LS

80 ACRES

T
21
N

MUSLOW "KJ" LS.

FITZGERALD

P&A
ATKINS LS.

SOUTHERN STATES
STATES OIL PROD.

MUSLOW "KF" LS.

DAVID COEU

MUSLOW LS.

MUSLOW LS.

3-SISTERS

ROBERTSON LS

SEAGULL OPERATING COMPANY, INC.

EXISTING CAPI AC RR SU
PROPOSED PALUXY, RESERVOIR C UNIT
PXY RC SUA &
PROPOSED PXY RC SUA ALT. UNIT WELL

CADDO PINE ISLAND FIELD
Caddo Parish, Louisiana



EXISTING CAPI AC RR SU &
PROPOSED PALUXY, RC UNIT



PROPOSED PXY RC UNIT WELL



PROPOSED PXY RC ALT. UNIT WELL

500 0 500 1000



scale

feet